



Amy G. Rabinowitz
Assistant General Counsel

May 31, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: DTE 05-2

Dear Secretary Cottrell:

I am enclosing the responses of Massachusetts Electric Company and Nantucket Electric Company to Attorney General Information Requests AG-1-1 through AG-1-3, along with a motion for confidential treatment of Attachment 2 to each of these responses. I am providing the confidential attachments directly to Hearing Officer John Geary.

Thank you very much for your time and attention to this matter.

Very truly yours,

Amy G. Rabinowitz

cc: Service List

25 Research Drive
Westborough, MA 01582-0099
Phone 508.389.2975
Fax: 508.389.2463
amy.rabinowitz@us.ngrid.com

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

_____)	
Massachusetts Electric Company and)	
Nantucket Electric Company 2005 Retail)	D.T.E. 05-2
Rate Filing)	
_____)	

**Motion of Massachusetts Electric Company and Nantucket Electric Company
for Confidential Treatment**

Pursuant to Mass. Gen. Laws c, 25, §5D and the Department’s procedural rules at 220 C.M.R. §1.04(5)(a) and (c), Massachusetts Electric Company and Nantucket Electric Company (collectively “Company”) hereby move for confidential treatment of the following:

1. Attachment 2 to the Company’s response to AG-1-1;
2. Attachment 2 to the Company’s response to AG-2-1; and
3. Attachment 2 to the Company’s response to AG-1-3

In the instant proceeding, the Company is seeking Department approval of its proposed 2005 rate adjustments for the default service charge, transition charge, and transmission charge, in accordance with the Company’s reconciliation and adjustment provisions and restructuring settlement in Docket No. 96-25. In response to the above-noted Information requests, the Company is providing copies of supplier invoices, which are sensitive and proprietary.

The Company is providing one hard copy of the confidential attachments to these Information Requests to Hearing Officer John Geary under seal, on the premise that these documents will be held in confidence in the Department’s offices and will not be distributed unless the Department denies this motion. The Company has redacted these responses from its electronic filing.

Confidential information may be protected from public disclosure in accordance with G.L. c. 25, § 5D, which states in part:

The [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which such protection is sought is public information and the burden shall be on the proponent of such protection to prove the need for such protection. Where the need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

The Department has construed this section of the law very narrowly, in keeping with the statute's presumption that information submitted to the Department is public information deserving of disclosure to the public. *Berkshire Gas Company, et al.*, D.P.U. 93-187/188/189/190, at 16 (1994). However, the statute does allow protection of confidential information where the proponent of protection can substantiate the need for non-disclosure. G.L. c.25 §5D.

The limited information for which the Company is requesting confidential status meets the Department's requirements for protection. The information is confidential, proprietary, and competitively sensitive, as explained below.

AG-1-1, AG-1-2, and AG-1-3 all refer to Exhibit TMB-2, page 3, and ask for information regarding the columns "Default Service Bill," "RPS Compliance," and "Supplier Reallocations."

Attachment 2 to each of the Company's responses contains copies of invoices from various suppliers. Although the information contained on the invoices is not confidential in the aggregate, the information that is available on individual invoices is confidential and proprietary.


In addition, the disclosure of the identity of individual suppliers may have a negative affect on the competitive position of the suppliers and suppliers' willingness to participate in future

solicitations were this information to be made available to a supplier's competitors.

Thus, the limited information and documents for which the Company is requesting confidential status meets the Department's requirements for protection. It is proprietary, confidential, and competitively sensitive.

WHEREFORE, for the reasons set forth herein, the Company respectfully requests that the Department grant the requested Motion for Confidential Treatment, pursuant to G.L. c. 25, §5D and the Department's procedural rules at 220 C.M.R. §1.04(5)(a) and (c).

Respectfully submitted,
MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
By their attorney,

A handwritten signature in dark ink, appearing to read "Amy G. Rabinowitz". The signature is fluid and cursive, with the first name "Amy" and last name "Rabinowitz" clearly distinguishable.

Amy G. Rabinowitz
25 Research Drive
Westboro, MA 01582

Dated: May 31, 2005

CERTIFICATE OF SERVICE

I hereby certify that on May 31, 2005, I served a copy of the Motion of Massachusetts Electric Company and Nantucket Electric Company for Confidential Treatment on the Service List in D.T.E. 05-2 by personal delivery or first class mail.

Signed under the pains and penalties of perjury



Amy G. Rabinowitz
Attorney for Massachusetts Electric Company and
Nantucket Electric Company

Dated: May 31, 2005

AG-1-1

Request:

Refer to Exhibit TMB-2, p.3. Please provide copies of all invoices supporting the amounts that appear in the column "Default Service Bill." The invoices should be annotated to show the date and amount paid, and the amount of any disputes and adjustments. Include a summary schedule that ties each invoice to the amounts show on Exhibit TMB-2, p. 3. Explain all adjustments in excess of \$5,000 and the status of any disputes.

Response:

Please see the attachment to this response for the requested information. Attachment 1 contains a summary of the amounts contained in the "Default Service Bill" column and represents the initial invoices received by the Company for power supply costs. Attachment 2 is being provided in a confidential response and contains the invoices supporting the amounts in Attachment 1.

Although Mass. Electric and Nantucket Electric are separate companies having separate general ledgers, they are considered one company for ratemaking purposes. The information is aggregated on page 1 of Attachment 1 and identified separately for each company on pages 2 and 3 of Attachment 1. Since some suppliers will bill each company together, the Company has attempted to identify amounts related to Mass. Electric in yellow highlighting and the amounts relating to Nantucket Electric in blue highlighting.

All invoices for Default Service provided by a Default Service supplier for a particular calendar month are received in the subsequent calendar month and the Company pays those invoices in the subsequent calendar month as well. Therefore, the date and amount paid are not specifically identified. All amounts invoiced have been paid; thus there are no disputes for amounts invoiced or due with any of the Default Service suppliers during the period covered by the Default Service reconciliation.

Prepared by or under the supervision of: Theresa M. Burns

Massachusetts Electric Company
 Nantucket Electric Company
 Summary of Initial Default Service Bill
 October 2003 - September 2004

	<u>Supplier A</u>	<u>Supplier B</u>	<u>Supplier C</u>	<u>Supplier D</u>	<u>Supplier E</u>	<u>Supplier F</u>	<u>Supplier G</u>	<u>Supplier H</u>	<u>Total</u>
October 2003	\$11,636,580	\$3,408,164	\$0	\$0	\$0	\$0	\$1,746,781	\$3,073,750	\$19,865,276
November	\$13,759,085	\$4,384,905	\$0	\$0	\$0	\$0	\$0	\$0	\$18,143,989
December	\$17,607,674	\$5,647,642	\$0	\$0	\$0	\$0	\$0	\$0	\$23,255,315
January 2004	\$22,398,254	\$7,143,482	\$0	\$0	\$0	\$0	\$0	\$0	\$29,541,736
February	\$18,283,409	\$5,719,403	\$2,552,003	\$0	\$0	\$0	\$0	\$0	\$26,554,815
March	\$16,856,749	\$5,033,340	\$2,358,334	\$0	\$0	\$0	\$0	\$0	\$24,248,423
April	\$13,405,688	\$4,064,920	\$2,016,578	\$0	\$0	\$0	\$0	\$0	\$19,487,185
May	\$7,217,832	\$586,731	\$0	\$1,554,100	\$3,204,410	\$8,115,030	\$0	\$0	\$20,678,103
June	\$8,469,055	\$650,986	\$0	\$1,866,315	\$3,892,549	\$9,636,216	\$0	\$0	\$24,515,120
July	\$10,695,085	\$775,723	\$0	\$2,434,918	\$4,531,842	\$11,949,736	\$0	\$0	\$30,387,304
August	\$11,565,629	\$9,929,596	\$0	\$2,771,243	\$5,084,888	\$3,542,429	\$0	\$0	\$32,893,786
September	<u>\$8,393,013</u>	<u>\$7,644,385</u>	<u>\$0</u>	<u>\$1,879,281</u>	<u>\$3,818,841</u>	<u>\$2,801,434</u>	<u>\$0</u>	<u>\$0</u>	<u>\$24,536,953</u>
Total	\$160,288,053	\$54,989,277	\$6,926,914	\$10,505,857	\$20,532,529	\$36,044,845	\$1,746,781	\$3,073,750	\$294,108,006

Massachusetts Electric Company
 Summary of Initial Default Service Bill
 October 2003 - September 2004

	<u>Supplier A</u>	<u>Supplier B</u>	<u>Supplier C</u>	<u>Supplier D</u>	<u>Supplier E</u>	<u>Supplier F</u>	<u>Supplier G</u>	<u>Supplier H</u>	<u>Total</u>
October 2003	\$11,440,378	\$3,407,576					\$1,746,781	\$3,073,750	\$19,668,486
November	\$13,706,613	\$4,261,299							\$17,967,912
December	\$17,549,608	\$5,483,368							\$23,032,976
January 2004	\$22,328,295	\$6,917,688							\$29,245,983
February	\$18,240,996	\$5,539,943	\$2,534,940						\$26,315,879
March	\$16,818,757	\$4,872,835	\$2,342,577						\$24,034,170
April	\$13,371,153	\$3,939,822	\$1,992,246						\$19,303,221
May	\$7,146,236	\$585,741		\$1,482,483	\$3,183,537	\$8,088,055			\$20,486,051
June	\$8,380,260	\$650,038		\$1,778,764	\$3,863,581	\$9,603,180			\$24,275,823
July	\$10,556,640	\$774,692		\$2,301,034	\$4,490,864	\$11,910,899			\$30,034,128
August	\$11,412,850	\$9,928,719		\$2,621,264	\$5,039,272	\$3,505,031			\$32,507,135
September	<u>\$8,292,853</u>	<u>\$7,643,865</u>		<u>\$1,785,181</u>	<u>\$3,785,236</u>	<u>\$2,773,104</u>			<u>\$24,280,240</u>
Total	\$159,244,639	\$54,005,586	\$6,869,764	\$9,968,726	\$20,362,490	\$35,880,268	\$1,746,781	\$3,073,750	\$291,152,003

Nantucket Electric Company
 Summary of Initial Default Service Bill
 October 2003 - September 2004

	<u>Supplier A</u>	<u>Supplier B</u>	<u>Supplier C</u>	<u>Supplier D</u>	<u>Supplier E</u>	<u>Supplier F</u>	<u>Supplier G</u>	<u>Supplier H</u>	<u>Total</u>
October 2003	\$196,202	\$589							\$196,790
November	\$52,472	\$123,606							\$176,078
December	\$58,065	\$164,274							\$222,339
January 2004	\$69,959	\$225,794							\$295,753
February	\$42,413	\$179,461	\$17,063						\$238,936
March	\$37,992	\$160,505	\$15,756						\$214,253
April	\$34,535	\$125,098	\$24,331						\$183,964
May	\$71,596	\$990		\$71,618	\$20,872	\$26,975			\$192,052
June	\$88,795	\$947		\$87,551	\$28,968	\$33,036			\$239,297
July	\$138,445	\$1,032		\$133,884	\$40,977	\$38,837			\$353,176
August	\$152,779	\$878		\$149,979	\$45,617	\$37,399			\$386,651
September	<u>\$100,160</u>	<u>\$520</u>		<u>\$94,100</u>	<u>\$33,604</u>	<u>\$28,329</u>			<u>\$256,714</u>
Total	\$1,043,414	\$983,691	\$57,150	\$537,132	\$170,039	\$164,576			\$2,956,003

AG-1-2

Request:

Refer to Exhibit TMB-2, p.3. Please provide copies of all invoices supporting the amounts that appear in the column "RPS Compliance." The invoices should be annotated to show the date and amount paid, and the amount of any disputes and adjustments. Include a summary schedule that ties each invoice to the amounts show on Exhibit TMB-2, p. 3. Explain all adjustments in excess of \$5,000 and the status of any disputes. Provide all supporting calculations, workpapers and assumptions that relate to the RPS Compliance costs as reported in Exh. TMB-2.

Response:

Please see the attachment to this response for the requested information. Attachment 1 is a summary of the items appearing in the "RPS Compliance" column. Attachment 2 is being provided in a confidential response and contains the associated invoices. There have been no adjustments or disputes related to RPS-related invoices. All invoices are paid on their due date, which is typically in the month following the delivery of the renewable energy certificates.

Prepared by or under the supervision of: Theresa M. Burns

Massachusetts Electric Company
Nantucket Electric Company

RPS Compliance for Default Service
October 2003 - September 2004

<u>Month</u>	<u>Vendor</u>	<u>Payment</u>	<u>REC Quantity</u>	<u>Description</u>
October	Supplier 1	\$50,790	1,693	certificates
November	Supplier 2	\$862		commission
	Supplier 3	\$9,600	320	certificates
	Supplier 4	<u>\$41,106</u>	1,054	certificates
December		\$50,706		
	Supplier 2	\$974		commission
	Supplier 4	<u>\$47,970</u>	1,230	certificates
January		\$48,944		
	Supplier 2	\$86,150	2,500	certificates
	Supplier 5	<u>\$4,602</u>		commission
February		\$90,752		
March	Supplier 6	\$149,250	5,000	certificates
	Supplier 1	\$131,495	3,094	certificates
	Supplier 2	\$97,425	2,500	certificates
	Supplier 7	\$32,000	1,000	certificates
	Supplier 4	\$239,424	6,216	certificates
	Supplier 4	<u>\$84,504</u>	2,012	certificates
April		\$584,848		
	Supplier 8	\$48,070	1,045	certificates
	Supplier 5	<u>\$1,610</u>		commission
May		\$49,680		
	Supplier 3	\$144,144	3,168	certificates
	Supplier 5	\$5,045		commission
	Supplier 9	<u>\$16,240</u>	464	certificates
June		\$165,429		
	Transferred to Default Service from Standard Offer			
	Supplier 5	\$6,935		commission
	Supplier 5	\$59,500	10,000	certificates
	Supplier 5	<u>\$2,083</u>	2,000	certificates
July		\$68,518		
September	Supplier 9	<u>\$329,035</u>	9,401	certificates
	Subtotal	\$1,588,814	52,697	

AG-1-3

Request:

Refer to Exhibit TMB-2, p. 3. Please explain the basis for the amounts that appear in the column "Supplier Reallocations." Provide all supporting documentation.

Response:

Supplier Reallocations such as those shown on page 3 of Exhibit TMB-2 occur due to the nature of the load estimation process which is used to assign load responsibility to all suppliers on the Company's system. The load estimation process provides an initial allocation of load responsibility to each supplier based on an estimate of each customer's load. This initial estimate is completed and the results reported to the suppliers and to ISO-NE approximately two business days after the date of energy consumption. After the close of the end of each calendar month, the Company pays its wholesale suppliers based on these initial estimated loads for the month. Throughout the month, customers' meters are read to determine actual usage during the period and this actual usage is fed back into the load estimation process. Approximately 90 days following the initial estimation month the resettlement takes place and revised loads are determined for each supplier based on the actual consumption for the month rather than on estimated loads. The revised loads are reported to each supplier and to ISO-NE. The Company then resettles its purchases with its wholesale suppliers based on the revised load data. To the extent the revised load data is lower than the initial estimate, the Company receives a credit from its suppliers. To the extent the revised load data is higher than the initial estimate, the Company makes an additional payment to its suppliers.

For supporting documentation relating to the amounts appearing in the "Supplier Reallocation" column on page 3 of Exhibit TMB-2, please refer to the attachments to this response. Attachment 1 is a summary of the items appearing in the "Supplier Reallocation" column. Attachment 2 is being provided in a confidential response and contains the associated invoices. There have been no adjustments or disputes related to default service-related invoices. All invoices are paid on their due date, which is typically in the month following the delivery of the power supply.

Prepared by or under the supervision of: Theresa M. Burns and Michael J. Hager

Massachusetts Electric Company
Nantucket Electric Company
Summary of Supplier Reallocations
October 2003 - September 2004

	<u>Supplier A</u>	<u>Supplier B</u>	<u>Supplier C</u>	<u>Supplier D</u>	<u>Supplier E</u>	<u>Supplier F</u>	<u>Supplier G</u>	<u>Supplier H</u>	<u>Total</u>
October 2003	\$812,565	\$906,525	\$0	\$0	\$0	\$0	(\$201,495)	(\$2,262,355)	(\$744,761)
November	(\$424,151)	\$74,700	\$0	\$0	\$0	\$0	\$0	\$0	(\$349,452)
December	(\$9,504)	\$218,613	\$0	\$0	\$0	\$0	\$0	\$0	\$209,109
January 2004	\$24,173	\$117,974	\$0	\$0	\$0	\$0	\$0	\$0	\$142,148
February	\$3,911	\$103,813	(\$153,595)	\$0	\$0	\$0	\$0	\$0	(\$45,871)
March	(\$202,554)	\$26,923	(\$95,001)	\$0	\$0	\$0	\$0	\$0	(\$270,632)
April	(\$272,048)	(\$97,778)	(\$35,406)	\$0	\$0	\$0	\$0	\$0	(\$405,232)
May	(\$193,524)	(\$18,496)	\$0	(\$18,621)	(\$116,317)	\$36,893	\$0	\$0	(\$310,064)
June	\$70,715	(\$18,021)	\$0	\$21,360	\$20,037	(\$360,944)	\$0	\$0	(\$266,852)
July	\$357,680	\$23,940	\$0	\$143,495	\$49,026	(\$588,163)	\$0	\$0	(\$14,022)
August	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
September	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$550</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$550</u>
Total	\$167,264	\$1,338,192	(\$284,002)	\$146,234	(\$46,703)	(\$912,215)	(\$201,495)	(\$2,262,355)	(\$2,055,079)

Massachusetts Electric Company
 Summary of Supplier Reallocations
 October 2003 - September 2004

	<u>Supplier A</u>	<u>Supplier B</u>	<u>Supplier C</u>	<u>Supplier D</u>	<u>Supplier E</u>	<u>Supplier F</u>	<u>Supplier G</u>	<u>Supplier H</u>	<u>Total</u>
October 2003	\$759,897	\$906,867					(\$201,495)	(\$2,262,355)	(\$797,086)
November	(\$406,242)	\$58,994							(\$347,249)
December	(\$5,601)	\$207,736							\$202,135
January 2004	\$24,089	\$101,582							\$125,672
February	\$6,785	\$96,215	(\$158,147)						(\$55,147)
March	(\$201,489)	\$29,119	(\$95,107)						(\$267,477)
April	(\$271,426)	(\$95,041)	(\$36,046)						(\$402,514)
May	(\$191,641)	(\$18,237)		(\$17,064)	(\$115,496)	\$33,352			(\$309,085)
June	\$68,936	(\$17,744)		\$21,133	\$18,042	(\$360,006)			(\$269,638)
July	\$349,897	\$17,418		\$136,432	\$46,448	(\$587,533)			(\$37,338)
August									\$0
September									<u>\$0</u>
Total	\$133,206	\$1,286,910	(\$289,301)	\$140,501	(\$51,006)	(\$914,187)	(\$201,495)	(\$2,262,355)	(\$2,157,727)

Nantucket Electric Company
Summary of Supplier Reallocations
October 2003 - September 2004

	<u>Supplier A</u>	<u>Supplier B</u>	<u>Supplier C</u>	<u>Supplier D</u>	<u>Supplier E</u>	<u>Supplier F</u>	<u>Supplier G</u>	<u>Supplier H</u>	<u>Total</u>
October 2003	\$52,668	(\$343)							\$52,325
November	(\$17,909)	\$15,706							(\$2,203)
December	(\$3,904)	\$10,878							\$6,974
January 2004	\$84	\$16,392							\$16,476
February	(\$2,873)	\$7,598	\$4,552						\$9,277
March	(\$1,064)	(\$2,197)	\$106						(\$3,155)
April	(\$621)	(\$2,737)	\$640						(\$2,718)
May	(\$1,883)	(\$260)		(\$1,557)	(\$821)	\$3,541			(\$979)
June	\$1,779	(\$277)		\$227	\$1,995	(\$938)			\$2,786
July	\$7,783	\$6,522		\$7,063	\$2,579	(\$630)			\$23,316
August									\$0
September					<u>\$550</u>				<u>\$550</u>
Total	\$34,059	\$51,282	\$5,298	\$5,733	\$4,303	\$1,973			\$102,648